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RESIDENT OF BEDFORD, NH SENTENCED TO 8 YEARS IN JAIL

CONCORD, NEW HAMPSHIRE: United States Attorney Tom Colantuono and Kenneth W. Kaiser, Special Agent in Charge of the Boston Field Office of the Federal Bureau of Investigation, announced that Phillip Scott Scherrer, a 56-year-old resident of 37 Strafford Lane in Bedford, New Hampshire was sentenced to 96 months in jail by Chief United States District Court Judge Steven McAuliffe yesterday.

During a court appearance last December, Scherrer admitted that he persuaded two residents of Sanborton, New Hampshire to give him \$100,000.00 by falsely assuring them that he would use the money to purchase a 10% ownership interest in a \$1 million annuity for them. Scherrer also admitted that after he received the money, he gave the victims a bogus letter from an insurance company that falsely assured the victims that the annuity had been purchased. Scherrer also acknowledged that, while in California, he sent an e-mail to the victims residence for the purpose of lulling them into a false sense of security that their investment was legitimate.

During the same hearing, Scherrer admitted that he engaged in another scheme involving the use of interstate telephone calls and electronic mail messages, through which he induced and attempted to induce 44 victims, including the residents of Sanborton, to give him an additional \$3.1 million, by falsely assuring them that the money would be invested in a company known as Bloodhound Software, Inc. Scherrer admitted that none of the money he received from the victims of this offense was used for that purpose.

Judge McAuliffe also ordered Scherrer to serve three years of supervised release and to pay restitution, totaling approximately \$2.6 million, to the victims of these offenses.

After today's court hearing, U.S. Attorney Colantuono said, "Scherrer's offenses were particularly egregious because Scherrer knew many of his victims for a long period of time. He was familiar with their economic circumstance and he acted with complete disregard for the devastating economic harm that his conduct would cause to them."